

BEFORE THE DEPARTMENT OF REVENUE  
OF THE STATE OF MONTANA

In the matter of the amendment of ) NOTICE OF PUBLIC HEARING ON  
ARM 42.19.1401 pertaining to ) PROPOSED AMENDMENT  
targeted economic development )  
districts )

TO: All Concerned Persons

1. On July 16, 2015, at 11 a.m., the Department of Revenue will hold a public hearing in the Third Floor Reception Area Conference Room of the Sam W. Mitchell Building, located at 125 North Roberts, Helena, Montana, to consider the proposed amendment of the above-stated rule. The conference room is most readily accessed by entering through the east doors of the building.

2. The Department of Revenue will make reasonable accommodations for persons with disabilities who wish to participate in this public hearing or need an alternative accessible format of this notice. If you require an accommodation, please advise the department of the nature of the accommodation needed, no later than 5 p.m. on July 6, 2015. Please contact Laurie Logan, Department of Revenue, Director's Office, P.O. Box 7701, Helena, Montana 59604-7701; telephone (406) 444-7905; fax (406) 444-3696; or e-mail lalogan@mt.gov.

3. The rule as proposed to be amended provides as follows, new matter underlined, deleted matter interlined:

42.19.1401 DEFINITIONS The following definitions apply to this subchapter:

~~(1) "Secondary value-adding industry" means an industrial process that engages in the mechanical or chemical transformation of materials or substances into new products in the manner defined as manufacturing in the North American Industry Classification System Manual prepared by the United States Office of Management and Budget, and that engages in the:~~

~~(a) processing of raw materials, such as minerals, ore, oil, gas, coal, agricultural products, and forestry products; or~~

~~(b) processing of semi-finished products that are used by the industry as a raw material in further manufacturing.~~

(2) through (4) remain the same, but are renumbered (1) through (3).

~~(5) "Value-added" means an increase in the worth of the raw or semi-finished product that results from a mechanical or chemical transformation and may not be attributable to a mere increase in existing production.~~

(4) "Value-adding economic projects" means projects that, through the employment of knowledge or labor, add value to industrial or technological products, processes, or export services resulting in the creation of new wealth.

(a) Value-adding economic projects do not include projects undertaken by service-based businesses or industries including, but not limited to, hotels, restaurants, automobile dealerships, and other similar businesses or industries.

AUTH: 15-1-201, MCA

IMP: 7-15-4202, 7-15-4203, 7-15-4204, 7-15-4205, 7-15-4206, 7-15-4207, 7-15-4208, 7-15-4209, 7-15-4210, 7-15-4211, 7-15-4212, 7-15-4213, 7-15-4214, 7-15-4215, 7-15-4216, 7-15-4217, 7-15-4218, 7-15-4278, 7-15-4279, 7-15-4280, 7-15-4281, 7-15-4282, 7-15-4283, 7-15-4284, MCA

REASONABLE NECESSITY: The department proposes amending ARM 42.19.1401 to strike the terms and definitions for "secondary value-adding industry" and "value-added," because they do not accurately reflect the legislative intent or properly define terms used in the governing statute for targeted economic development districts.

The department further proposes adding a definition for the term "value-adding economic projects" for clarity and to set forth the department's interpretation of the term as it is used in statutes pertaining to targeted economic development districts.

The department also proposes adding a missing implementing statute to the rule.

4. Concerned persons may submit their data, views, or arguments, either orally or in writing, at the hearing. Written data, views, or arguments may also be submitted to: Laurie Logan, Department of Revenue, Director's Office, P.O. Box 7701, Helena, Montana 59604-7701; telephone (406) 444-7905; fax (406) 444-3696; or e-mail lalogan@mt.gov and must be received no later than July 27, 2015.

5. Laurie Logan, Department of Revenue, Director's Office, has been designated to preside over and conduct this hearing.

6. The Department of Revenue maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request, which includes the name and e-mail or mailing address of the person to receive notices and specifies that the person wishes to receive notice regarding a particular subject matter or matters. Notices will be sent by e-mail unless a mailing preference is noted in the request. A written request may be mailed or delivered to the person in 4 above or faxed to the office at (406) 444-3696, or may be made by completing a request form at any rules hearing held by the Department of Revenue.

7. An electronic copy of this notice is available on the department's web site at revenue.mt.gov/rules. The department strives to make the electronic copy of this notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. While the department also strives to keep its web site accessible at all times, in some instances it may be temporarily unavailable due to system maintenance or technical problems.

8. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

9. With regard to the requirements of 2-4-111, MCA, the department has determined that the amendment of the above-referenced rule will not significantly and directly impact small businesses.

/s/ Laurie Logan

Laurie Logan  
Rule Reviewer

/s/ Mike Kadas

Mike Kadas  
Director of Revenue

Certified to the Secretary of State June 15, 2015.